

America's Small Business Resource

FROM THE DESK OF THE DISTRICT DIRECTOR

A common misconception about the SBA is that our programs and services are only for pre-business and start-up assistance. The reality is that our agency offers a continuum of services to assist businesses at various stages of development. For instance, consider the SBA's financial assistance programs:



- Microloans—provide small loans up to \$35,000 through non-profit intermediaries. These loans are ideal for home-based and self-employed individuals with low capital requirements not easily met through traditional commercial lenders. Microlenders also provide technical and management assistance critical to the success of these microenterprises.
- 7(a) loans—Low Documentation (LowDoc), Prequalification, and SBA Express as well as the standard 7(a) program deliver financial assistance through commercial lenders for various amounts and purposes.
- 504 loans—assist firms with fixed-asset, long-term financing. These loans are particularly geared towards the small business needing to expand its facilities and production capability to accommodate growth.
- Small Business Investment Companies (SBICs) - offer equity financing to more mature businesses that are in high growth mode and for whom additional debt financing is not an option.

Programs such as the 8(a) Business Development, Small Business Innovative Research (SBIR), and Surety Bond Guarantee programs are geared towards firms that are beyond the start-up stage. Counseling and training resources provided by SCORE and the Small Business Development Centers (SBDCs) can also help existing small business obtain the advice and skills they need to reach the "next level." Remember, utilizing the SBA does not have to be a one-time or single need occurrence. From the idea of a prospective entrepreneur to the challenges of a maturing firm, we can help!



Online Registration Opens for SBA's National Entrepreneurial Conference

WASHINGTON — Online registration is now available for the U.S. Small Business Administration's annual celebration honoring America's top entrepreneurs and the *National Small Business Person of the Year*.

The SBA's National Entrepreneurial Conference & Expo in Washington, D.C., September 17-19, 2003, is being held in conjunction with a series of events throughout the country to mark the SBA's 50th anniversary.

Business owners and other individuals interested in taking part in NECE may now register for events online at <http://www.sba.gov/50/>. Complete information about the Expo and the SBA's 50th anniversary events is available on the SBA's conference Web site.

The site will be updated regularly with new event information.

The *National Small Business Person of the Year* will be selected from among 50 state Small Business Persons of the Year, plus one each from the District of Columbia, Puerto Rico and Guam. Two runners-up will also be named.

"The SBA is proud to honor the men and women whose hard work, entrepreneurial spirit and perseverance have helped to create jobs and to fuel the economy," said SBA Administrator Hector V. Barreto. "Small business plays a vital role in creating opportunities for millions of Americans, and these successful small business owners deserve recognition for their achievements." Continued on Page 2



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Army Veteran Uses Microloan To Start Truck Service

In March, 2001, Harvey Bernard, who spent 11 years in the Army gaining experiences as a shop mechanic and motor pool Sergeant, began his truck repair and maintenance business, Coastal Fleet Services. Bernard was able to start his company with a \$24,500 microloan from Small Business Assistance Corporation (SBAC), a SBA Certified Development Company (CDC) and microlender.

"My microloan was very important in getting my business started," says Bernard, who is a Sergeant First Class in the U.S. Army Reserves. "Without my microloan, it would have taken much longer to come up with the money I needed for my business."

SBA microloans can provide up to \$35,000 for working capital or the purchase of inventory, supplies, fixtures, machinery and/or equipment. They cannot be used to pay off existing debt or to buy real estate. Microlenders also provide management and technical assistance to complement the financial assistance borrowers receive.

In Bernard's case, he used proceeds from his loan to buy a service van and equipment that includes an air compressor, two oil change systems and other tools for brake work. His service truck is also equipped to provide replacement work on clutches, power belts, starters, alternators, batteries, tie-rod ends and ball joints. *"With my mobile service van, I can go to the trucker," explained Bernard. "They can call me on weekends and I can come to their homes where a lot of drivers, who are owner-operators, keep their trucks."* In addition to his loan, Bernard received start-up business counseling from volunteers at the Savannah chapter of SCORE.

Until recently, there has been two SBA microlenders in Georgia: Greater Atlanta Small Business Project (GRASP) and SBAC in Savannah. Earlier this summer, two additional organization were approved as SBA microlenders. Dekalb Enterprises Business Corporation (DEBCO) will service part of metro Atlanta. Albany Community Together (ACT) will cover Southwest Georgia.



Conference continued from Page 1...

This year's conference features a Procurement Matchmaking event that will bring together prime and sub-contractors with small businesses to make business deals, as well as an Expo featuring over 175 exhibitors, including small businesses, corporate entities, international interests, and federal and state governments.

The three-day SBA event will feature award ceremonies and presentations to include a *Celebrating Women in Business* event recognizing the contributions of women business owners. A small business "Hall of Fame," honoring the highest achievements in entrepreneurialism, will be inaugurated during the conference.

The Expo also will offer a series of business sessions designed to provide small businesses with useful, practical and tangible advice, assistance and insight, including Managing Your Business, Emerging Markets, Procurement Opportunities, Small Business Financing, eBusiness, International Trade, Tax Relief, Health Care, Contingency Planning, Veteran Business Development and Leadership.

Office of Advocacy Launches "Regulatory Alerts" Web Page

Small business owners have a new tool to help cut through the complex and confusing federal regulatory process. The recently launched Regulatory Alerts web page of the Office of Advocacy now provides one-stop access to proposed regulations, ability to submit comments on the proposal, direct access to Advocacy staff, and links to other regulatory related sites.

"The Office of Advocacy works hard to make sure

the voice of small business is heard by federal agencies," said Thomas M. Sullivan, Chief Counsel for Advocacy. "Unfortunately, the regulatory process is not always transparent and discourages comments from affected small businesses. With the launch of our Regulatory Alerts web page, we hope to make the process more accessible for small business owners. With this new tool, they can submit their comments for the public

record and have their voice heard," he said.

The Regulatory Alerts page is located in the Office of Advocacy website at <http://www.sba.gov/advo>. It divides proposed regulations into easily understood subject areas such as environmental; safety, health and labor; and tax. Advocacy encourages small business affected by the proposed rules to provide the Federal agency issuing the notice with comments on the rule and the agency's analysis

of potential impacts on small business.

From the new page, small business owners and other interested parties can send their comments directly to federal agencies through regulations.gov, the federal government's site for citizen participation in rulemaking. The new Regulatory Alerts pages also links to non-governmental sites that review regulatory policy and make recommendations for reform.

SURETY BOND GUARANTEE PROGRAM

The U.S. Small Business Administration (SBA) can guarantee bonds for contracts up to \$2 million, covering bid, performance and payment bonds for small and emerging contractors who cannot obtain surety bonds through regular commercial channels.

SBA's guarantee gives sureties an incentive to provide bonding for eligible contractors, and thereby strengthens a contractor's ability to obtain bonding and greater access to contracting opportunities. A surety guarantee, an agreement between a surety and the SBA, provides that SBA will assume a predetermined percentage of loss in the event the contractor should breach the terms of the contract.

A surety bond is a three-

party instrument between a surety, the contractor and the project owner. The agreement binds the contractor to comply with the terms and conditions of a contract. If the contractor is unable to successfully perform the contract, the surety assumes the contractor's responsibilities and ensures that the project is completed. Below are types of contract bonds that may be covered by an SBA guarantee:

1. Bid - Bond which guarantees that the bidder on a contract will enter into the contract and furnish the required payment and performance bonds.

2. Payment - Bond which guarantees payment from the contractor of money to persons who furnish labor,

materials equipment and/or supplies for use in the performance of the contract.

3. Performance - Bond which guarantees that the contractor will perform the contract in accordance with its terms.

4. Ancillary—Bonds which are incidental and essential to the performance of the contract.

Small contractors in Georgia used 193 bid bonds guaranteed by the SBA during the first nine months of FY 2003 an increase from 112 similar bonds issued in the state for the same period a year ago.

The SBA guaranteed amount for the 2003 bonds totaled \$73 million.

This is an increase from the first nine months of FY 2002 when \$36.6 million in bid bonds were backed by the SBA in Georgia.

The number of final or performance bonds was also up in Georgia for the nine months ending June 30, 2003. Agency data shows that 82 final bonds, with an SBA guarantee, were issued by surety companies. This is up from 53 final bonds issued in Georgia for the same period a year ago.

To learn more about the Surety Bond Guarantee Program, go to the SBA website at www.sba.gov/financing or contact the Georgia District Office at (404) 331-0100, ext. 702 or 703.

Community Express Comes To Georgia

The Georgia District Office will begin delivering the SBA Community Express loan program in metro Atlanta on August 7.

Community Express is a pilot loan program that was developed in collaboration with the Community Reinvestment Coalition. Under this program, a SBA Express-like program will be offered to small businesses in economically distressed areas as well as other traditionally underserved markets. A key component of the program is the providing of pre- and post-loan closing management and technical assistance to borrowers.

Community Express loans can be for up to \$250,000. Lenders are not required to take collateral for loans under \$25,000. Lenders may use their existing collateral policy for loans over \$25,000. Revolving loans are also allowed for terms of up to seven years.

In Georgia, the Community Express program will be delivered through Innovative Bank of Oakland, California. The Atlanta SCORE Chapter will provide technical assistance.

Innovative Bank is focusing its Community Express program, Small Office Home Office Banking (SOHO), on loans in the \$5,000 to \$15,000 range.

The first information sessions will be held on August 7 and 21 and September 4 and 18 at 9:30 am and 1:30 pm. To register, please call (404) 331-0100 ext 411.



8(a) Matchmaker Workshop Draws Agencies/Prime Contractors

Twenty-one companies in the Georgia District's 8(a) Business Development Program took part in a recent "Matchmaker" Workshop. The event allowed company executives to meet with buyers and contract officers with nine government agencies and prime contractors from the private sector. Janet Dalgamouni, President of Essam's Flooring Inc., and Essam Dalgamouni, an engineer with the 8(a) company, are shown meeting with Tony Cox, at right, a Small Business Development Specialist with the U.S. General Services Administration (GSA) in Atlanta. The SBA's 8(a) Program provides business development and federal contract support to small, disadvantaged businesses.

LOWE'S "SCORES" BIG WITH ATLANTA SMALL BUSINESS OWNERS

Lowe's is known as a place that offers quality home improvement products. And starting this summer, some of these stores will be the place to learn more about improving businesses.

SCORE, the nonprofit group of retired executives who are "Counselors to America's Small Business," will be providing free business counseling sessions at Atlanta-area Lowe's stores.

"Because many of our customers are small business owners, we want to provide them with the best resources possible," said Mike Horn, vice president of commercial sales of Lowe's, based in Wilkesboro, N.C.

According to the U.S. Small Business Administration, the estimated 22.5 million small businesses in the United States employ 51 percent of the country's private workforce. "It's important to recognize that these small business owners are a vital part of our economy," said SCORE CEO Ken Yancey in Washington. "Providing them with educational tools to improve their businesses can help the economic growth of our entire community."

Current business owners have different concerns from entrepreneurs. Among the topics that existing small business owners can learn about include: business planning, e-commerce, finance and tax questions, labor issues, legal entanglements, marketing and public relations, office management and customer service.

For more information about the free counseling sessions in the Atlanta area, please contact your local Lowe's store or the Atlanta SCORE chapter at (404) 331-0121. Business owners may also leave a message on Lowe's/SCORE event line at (770) 971-4940. You can visit the SCORE Web site at www.score.org to locate a SCORE office near you or to receive online counseling by email.



"Enterprising Women" Exhibit Opens in Atlanta

Nuby Fowler, SBA Regional Administrator for the Southeast, was a guest speaker at the recent opening of the "Enterprising Women" Exhibit at the Atlanta History Center. The exhibit will be on display until September 21st before continuing on a national tour. It traces the history of American women and business from the colonial era to the present. Objects on view include an original Declaration of Independence printed by Revolutionary War publisher Mary Katherine Goddard. With Regional Administrator Fowler, at left, are Terri Denison, SBA Georgia District Director, and James H. Bruns, Executive Director of the Atlanta History Center.

"NEW" CUSTOMER-FOCUSED SBA WEBSITE

The SBA recently launched its new web design at www.sba.gov with many new customer-friendly features. Using portals of small business information, the site and its new look explain in "plain English" the what, where, why, and how-to of starting and running a business.

The newly design web site is another example of the SBA using improved technologies to expand its economic and job development programs while reaching a much broader customer

base.

The re-configured SBA site offers a number of new features, including:

Five customer-centric access views: starting a business; financing a business; managing and growing a business; business opportunities; and disaster assistance.

Seamless integration of information and services supporting small business customers with information and programs from numerous resources – across Fed-

eral, state and local levels of government.

Sophisticated geo-mapping feature that makes it easy for customers all over the country to find and travel to SBA's district offices and resource partners.

Comprehensive and fully searchable menu of business Frequently Asked Questions.

Graphic displays that profile inspirational stories of successful American entrepreneurs.

Direct access to newly de-

signed SBA regional and district office web sites that include the Georgia home page, which focuses on local interests and resources.

The improved site brings the agency one step closer to becoming America's small business homepage. The SBA welcomes your suggestions on how our web site can be further improved to better serve our customers. Please e-mail your suggestions to webfeedback@sba.gov.